

SETTLEMENT AGREEMENT

THIS SETTLEMENT AGREEMENT ("Agreement") is made and entered into on the Effective Date (as defined on the signature page hereof) by and between Tamala McCoy-Carloss, whose address is 7010 Clovernoll Drive, Cincinnati, Ohio 45231; SGH Enterprise's Cincinnati LLC d/b/a Brownstone Coffee Lounge & Bar, an Ohio limited liability company, whose address is 7010 Clovernoll Drive, Cincinnati, Ohio 45231 (hereinafter collectively the "Owners"); Darius Bobo, whose address is 4714 Williamsburg Road, Cincinnati, Ohio 45215; and the City of Cincinnati, a municipal corporation, 801 Plum Street, Cincinnati, OH 45202 (hereinafter, the "City").

1. **Administrative Liquor Violations.** This Agreement shall have no bearing or impact on any current or future administrative actions involving liquor permit number 7640446 with the State of Ohio (the "Permit") except as explicitly noted.

2. **Pending Litigation.** The City shall dismiss Tamala McCoy-Carloss, Robin Fields, and SGH Enterprise's Cincinnati, LLC dba Brownstone Coffee Lounge & Bar and N.A.H.I., Inc. and 7733 Reading Road (In Rem) as defendants in case number A1901989 currently pending in the Court of Common Pleas for Hamilton County, Ohio (hereinafter the "Case") involving the real property commonly known as 7733 Reading Road but the court shall retain jurisdiction of this matter for purposes of enforcement of this Agreement.

3. **Criminal Offenses.** This Agreement does not in any manner restrict or impair the City's ability to investigate, charge, and/or prosecute any criminal offenses, including, but not limited to, any criminal offenses that occurred, are occurring, or may occur at Brownstone Coffee Lounge & Bar.

4. **Objection to Renewal of 2019 Liquor License.** The City shall not offer any evidence in support of an objection to the 2019 annual renewal of the Permit with the State of Ohio if an objection is approved by City Council and will indicate to the Ohio Division of Liquor Control that it has no such objections. This clause shall not be interpreted to prevent the Cincinnati Police Department from responding to lawful requests from the Division of Liquor Control, the Ohio Department of Public Safety or any other governmental entity.

5. **Temporary Closure.**

- a. **Immediate Closure.** The bar/nightclub located in Units A4 to A7 at 7733 Reading Road and commonly known as "Brownstone Lounge & Coffee Bar" (hereinafter "Brownstone") shall close effective immediately. Brownstone shall stay closed until the completion of all requirements of Sections 10; 11; 12 and 14 of this Agreement.
- b. **Not to re-open before October 1, 2019.** Brownstone shall not be open to the public before October 1, 2019. While closed under this Agreement, Owners shall not

permit Brownstone to be open to the public; sell, furnish, or serve beer, wine or intoxicating liquor; or host private events.

- c. Avoidance of safekeeping. Notwithstanding Section 5(b) of this Agreement, Brownstone may be open to the public between 7:00 AM and 9:00 AM on the following dates: May 7, 2019; June 4, 2019; July 2, 2019; July 30, 2019; August 27, 2019; and September 24, 2019. Brownstone is permitted to open during these limited hours to prevent the Permit from becoming dormant and triggering any requirement that the liquor license be placed in safekeeping with the State Division of Liquor Control.

6. Future Liquor Violations.

- a. Conditions Requiring Surrender of Permit for Single Violation. Owners shall surrender the Permit to the State of Ohio upon a finding of a violation related to:

- i. The unlawful sale or furnishing of beer, wine or intoxicating liquor to an underaged person in contravention of R.C. 4301.69;
- ii. The overserving of beer, wine or intoxicating liquor in contravention of R.C. 4301.22(B);
- iii. The existence of drug activity in contravention of O.A.C. 4301:1-1-52(B)(5);
- iv. Violation of closure time regulations as set forth in O.A.C. 4301:1-1-49; or
- v. Failure to cooperate with law enforcement investigations.

The Permit shall be surrendered pursuant to this section only upon the institution of the procedures for enforcement as set forth in Section 6c, herein.

- b. Additional Conditions Requiring Surrender of Permit. Owners shall surrender the Permit to the State of Ohio if more than one violation of Ohio statutory or administrative liquor law occurs at Brownstone during any calendar year, which shall be calculated from Brownstone's re-opening date as defined by Section 5 of this Agreement.

- c. Enforcement.

- i. In the event of a violation that requires surrender of the Permit, the City shall move the Hamilton County Court of Common Pleas in the Case to order the Owners to surrender the permit.
- ii. The City must prove by a preponderance of the evidence that a violation has occurred.
- iii. If a hearing on the City's motion is delayed more than 30 days at Owners' request then Brownstone shall not be open to the public and Owners shall be prohibited from selling, furnishing, or serving beer, wine or intoxicating liquor and hosting private events at Brownstone until there is a decision by the court.

- iv. If Owners appeals the court's an order then Brownstone shall place the Permit in safekeeping with the Ohio Division of Liquor Control until all appeals are exhausted. Brownstone shall remain closed to the public until all appeals are exhausted.

d. Scope.

- i. For purposes of this Section, the term "violation" is not intended to mean merely a citation by the Cincinnati Police Department or the Ohio Division of Liquor Control. The City bears the burden of establishing all elements of a violation by the preponderance of the evidence as provided in Section 6c, herein.

- ii. For purposes of this Section, the following shall not be construed as a violation requiring the surrender of the Permit:

1. a drug trafficking offense where the City or an informant working at the direction of the City requests to meet at Brownstone.
2. a drug possession offense where an informant would be the defendant.

- iii. Notwithstanding the limitations set forth in Section 6(d)(ii), law enforcement officers, including officers with the City of Cincinnati Police Department, may utilize informants and otherwise investigate criminal activity at Brownstone.

- e. Expiration. The obligations of this Section shall expire 24 months after Brownstone re-opens pursuant to the conditions set forth in Section 5 of this Agreement.

7. **Closure Time.** For each day Brownstone is in operation, Owners shall cause Brownstone to close to the public no later than 2:30 A.M. and shall not serve, furnish, or permit the possession of beer, wine or intoxication liquor after 2:30 A.M. After 2:30 A.M., only employees or agents of Brownstone may be present inside Brownstone and all beer, wine or intoxicating liquor shall be stored promptly after closure.

8. **Enforcement.** In the event this Agreement is breached, the City may seek enforcement of this Agreement in court in the Case by specific performance; injunctive and declaratory relief pursuant to R.C. 3767.05; or request the termination of the Permit. If a hearing on the City's motion is delayed more than 30 days at the request of Owners, Brownstone shall not be open to the public and Owners shall be prohibited from selling, furnishing, or serving beer, wine or intoxicating liquor and hosting private events at Brownstone until there is a decision by the court.

9. **Non-Transfer of Liquor License.** During the pendency of this Agreement, Owners shall not transfer the Permit without the consent of the City, which consent will not be unreasonably withheld, conditioned or delayed.

10. **Outstanding Liabilities.** Owners shall pay the City for outstanding detail service fees and unpaid admissions tax according to the schedule attached in Exhibit A. All payments shall be made by check, cashier check, or money order payable to "City of Cincinnati Treasurer, ATTN: Finance Management Section" and mailed or delivered to Cincinnati Police Department, 310 Ezzard Charles Drive, Cincinnati, Ohio 45214. This Agreement shall constitute a resolution of the liabilities attached hereto as Exhibit B.

11. **Required Licensing.** Owners shall obtain and maintain all required licensing for Brownstone including, but not limited to, admissions tax, dance hall, and food service licenses. The City shall not unduly delay the issuance of licenses under their control except as reasonably necessary to investigate the application.

12. **Injunction against Future Violations.** Darius Bobo shall execute the attached Exhibit C which may be filed by the City in this case. With the exception of the Injunction attached as Exhibit C and enforcement pursuant to the same, no further proceedings shall issue as against Darius Bobo as it relates to the case or the subject matter of this Agreement.

13. **Weapons.** Brownstone shall search all patrons entering Brownstone for weapons by pat down and/or metal detector and exclude any patrons found to be carrying a weapon.

14. **Law Enforcement Detail.** Owners shall maintain a detail of law enforcement officers at Brownstone at cost to Owners. The schedule and number of officers shall be determined by the law enforcement agency. Owners shall prepay for all detail services.

15. **Termination of Current Management.** Owners shall terminate Darius Bobo and Chris Carson from employment at Brownstone. They shall have no ongoing responsibilities as owners, operators, managers, employees or agents of Brownstone.

16. **Notice.** Any notice or other communication required or desired to be given to either party under this Agreement shall be in writing and (i) delivered personally, (ii) mailed by regular or certified United States mail, or (iii) delivered by a nationally recognized overnight courier service, to the parties at their respective addresses set forth above or such other addresses as either party may specify from time to time. Notices shall be deemed given upon receipt.

17. **General Provisions.** This Agreement shall be governed by the laws of the City of Cincinnati and State of Ohio. This Agreement constitutes the entire agreement between the parties as to the subject matter hereof. Any amendment to this Agreement must be in writing and signed by both parties. Time is of the essence in complying with the terms of this Agreement. This Agreement shall be of no force or effect unless and until it has been signed by both parties.

This Agreement is executed by the parties on the dates indicated below their respective signatures, effective as of the later of such dates (the "Effective Date").

SGH Enterprise's Cincinnati, LLC
An Ohio limited liability company

By:

Authorized Member

Date: 5/1, 2019

Pamala McCoy-Carlos

Date: 5/1, 2019

Darius Bobo

Date: 5/1, 2019

CITY OF CINCINNATI

David Laing
Assistant City Solicitor

5/1/19

Exhibit A – Schedule of Payments

Payment Due Date	Payment Amount
Tuesday, October 01, 2019	\$12,555.13
Friday, November 01, 2019	\$1,506.12
Monday, December 02, 2019	\$1,506.12
Thursday, January 02, 2020	\$1,506.12
Monday, February 03, 2020	\$1,506.12
Monday, March 02, 2020	\$1,506.12
Wednesday, April 01, 2020	\$1,506.12
Friday, May 01, 2020	\$1,506.12
Monday, June 01, 2020	\$1,506.12
Wednesday, July 01, 2020	\$1,506.12
Monday, August 03, 2020	\$1,506.12
Tuesday, September 01, 2020	\$1,506.12
Thursday, October 01, 2020	\$1,506.12
Monday, November 02, 2020	\$1,506.12
Tuesday, December 01, 2020	\$1,506.12
Monday, January 04, 2021	\$1,506.12
Monday, February 01, 2021	\$1,506.12
Monday, March 01, 2021	\$1,506.12
Thursday, April 01, 2021	\$1,506.13
TOTAL	\$39,665.36

Exhibit B – Outstanding Liabilities

<u>Liability</u>	<u>Amount</u>
Admissions Tax	\$2,000.00
Police Services	\$37,665.36
TOTAL	\$39,665.36

EXHIBIT C

(DML0003-1)

IN THE COURT OF COMMON PLEAS
HAMILTON COUNTY, OHIO

CITY OF CINCINNATI, et al., :
Plaintiff, : Case No. A1901989
: JUDGE COOPER
-vs- :
TAMALA MCCOY-CARLOSS, et al., : FINAL ORDER AGAINST
: DARIUS BOBO
: Defendants.

Now come Plaintiff City of Cincinnati, Relator Paula Boggs Muething for the State of Ohio (hereinafter collectively the "City"), and Respondents/Defendants Darius Bobo (hereinafter "Defendant") and agree to the following relief as a complete and final resolution of the City's Complaint against Defendant in this matter:

1. The City and Defendant voluntarily submit to the Court's jurisdiction.
2. The City and Defendant, having had the opportunity to consult with legal counsel, knowingly and voluntarily agree to the following as his or its free act.
3. Defendant is enjoined from establishing or maintaining a public nuisance as defined pursuant to Chapter 3767 of the Ohio Revised Code at any other location.
4. Defendant shall not engage in violations of the law in Ohio (administrative or statutory) related to the furnishing of beer, wine or intoxication liquor or the operation of a liquor permit premises.

IT IS SO ORDERED.

Date

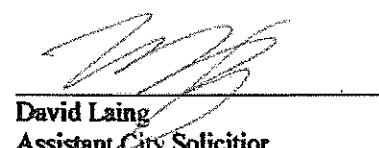
Judge

{DML0003-1}

Agreed:



Darius Bobo
On behalf of himself, individually



David Laing
Assistant City Solicitor
Counsel for the City of Cincinnati

{DML0003-1}